



## **Greenwood Fuels**

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**May 7, 2015**

**Submission to the Michigan House of Representatives Energy Policy Committee  
regarding Michigan House Bill 4297**

### **Greenwood Fuels - Engineered Pellets**

Greenwood Fuels (GWF) currently produces and ships approximately 100 to 300 tons per day of alternative fuel pellets from our existing manufacturing facility in Green Bay, WI. Greenwood's fuel is listed by the US EPA as an alternative fuel under the EPA's Non-Hazardous, Secondary Material (NHSM), Alternative Fuels Program (40 CFR 241). GWF pellets are classified as a renewable fuel in the states of Wisconsin and Ohio.

The U.S. EPA Non-Hazardous, Secondary Material (NHSM) Alternative Fuels designation requires a very technical quality testing and detailed analysis of feedstock and final fuel product. Accordingly, Greenwood maintains an extensive feedstock, fuel production, and final fuel product quality control and testing program to ensure the consistent high quality and low emissions characteristics of our fuel. The feedstock for GWF engineered pellets is non-recyclable by-products from paper, packaging and label manufacturing operations and similar commercial manufacturing processes.

GWF feedstock is composed of pre-consumer material that would otherwise be sent to landfills for disposal. Some of the feedstock used to produce pellets at our Green Bay facility is shipped to us from Michigan based manufacturers. We provide our Michigan customers a non-landfill option that is more economical and more environmentally sustainable, helping local Michigan companies to remain competitive and preserve local jobs.

Our alternative fuel has approximately the same heating value as bituminous coal (11,000 to 11,500 BTU/LB) but results in significantly lower emissions of mercury, SO<sub>2</sub> and NO<sub>x</sub>.

GWF's primary fuel pellet customers are paper and packaging manufacturers, municipal utilities and universities that would otherwise combust coal to supply electricity and/or steam for their manufacturing operations, to produce steam and/or electricity for sale, or to heat and power their campuses. GWF has one existing Michigan customer; a paper manufacturer in the Upper Peninsula and another prospective customer, a major university that is in the process of finalizing their options to replace coal as a fuel in one of their power generation systems. There are other potential Michigan customers who may find GWF's alternative fuel to be beneficial both environmentally and economically.

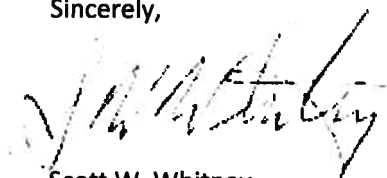
GWF is planning to develop additional pellet manufacturing facilities to serve customers who are located beyond an economical shipping distance from our existing Green Bay plant. One or more of these new facilities may be located in Michigan. Classification of our fuel as renewable in Michigan is a key criterion in our decision making process. This would benefit our Michigan based feedstock suppliers and alternative fuel customers by providing lower transportation costs. It would also reduce the environmental impact from long distance transportation related emissions.

Greenwood's Michigan customers have indicated that they would obtain significant benefits from the classification of Greenwood's fuel as a renewable fuel in Michigan (as is the case for our customers in Ohio and Wisconsin) and the ability to generate renewable energy credits from Greenwood's fuel.

Accordingly, we support the language included in the most recent draft of HB 4297, Section 11, paragraph (i)(vii)(C) that includes in the definition of RENEWABLE RESOURCE: Fuel . . . . . for which a non-waste determination is made by the United States Environmental Protection Agency pursuant to 40 CRF 241.3(C).

Classification of GWF's alternative fuel as renewable is consistent with the goals listed in Section 1, paragraph (2), items (a) through (d) of the draft of House Bill 4297. It will facilitate increased diversification of energy resources and provide greater energy security by utilizing material that can be readily sourced from within Michigan. It would also encourage private investment by Greenwood and other manufacturers who will benefit from the availability of an economical source of environmentally friendly fuel as well as an environmentally sustainable and economical means of dealing with their non-recyclable by products. It will improve air quality by providing a low emission, economical alternative to the combustion of coal.

Sincerely,

A handwritten signature in black ink, appearing to read "Scott W. Whitney", written over a light blue horizontal line.

Scott W. Whitney

Chief Executive Officer  
Greenwood Fuels